

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.5240 Claims for Credit of Overpayments

TITLE 86: REVENUE

**PART 100
INCOME TAX**

SUBPART P: COMBINED RETURNS

Section 100.5240 Claims for Credit of Overpayments

- a) In general. If a taxpayer becomes a member of a combined group during a common taxable year, any requested credit carryforward shown on its separate return for the taxable period ending with its entry into the combined group shall be credited against the combined liability, and the designated agent shall claim this credit on the combined return, for the taxable year in which the member joins the combined group. A taxpayer that leaves a combined group may not claim a credit shown on a combined return against its separate tax liability in a subsequent taxable year. When an election is revoked, any claim for credit shown on the last combined return shall be credited against the separate liabilities of the electing members in the manner designated by the designated agent that is satisfactory to the Department. The manner designated will be satisfactory to the Department if it does not jeopardize the collection of any liability.

- b) Examples. The provisions of this Section may be illustrated by the following examples:
 - 1) Example 1. Corporation P and S-1 file a combined return in 1985. S-2 becomes an eligible member on January 1, 1986. S-2's 1985 overpayment of tax which it elected to be credited to 1986 shall be utilized against the combined 1986 liability.

 - 2) Example 2. The 1985 combined return of P, S-1 and S-2 shows an overpayment which the designated agent elects as a credit against its 1986 liability. If S-2 leaves the combined group during 1986 it does not share in the overpayment credit.

(Source: Amended at 22 Ill. Reg. 19033, effective October 1, 1998)